

REMARKS

Favorable reconsideration of this application is requested in view of the above amendments and the following remarks. Claim 37 is amended. Claims 37-38 remain actively pending in the case. No new matter has been added. Reconsideration of the claim is respectfully requested.

In paragraph 3 on page 2 of the Office Action, claims 37 and 38 were rejected under 35 USC §102(e) as being anticipated by Robert Cordery (6,085,182). Applicants respectfully traverse the rejection.

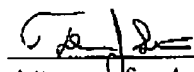
Cordery fails to teach or suggest at least scanning an official postal product having at least a first area having an official postal indicia and a second area having a personal image. Rather, Cordery merely discloses a mailpiece having indicium 97 in lieu of a stamp for use by the United States Postal Service to indicate payment of postage required for mailing the mailpiece. The inducium 97 can have a first portion 98 that is data to indicate postal value and a second portion 99 that is an encrypted bar code. *See Fig. 4.* However, Cordery does not disclose at least scanning a second area having a personal image.

Cordery also fails to teach or suggest canceling only said first area based on said information obtained from said scanning. Cordery does not disclose canceling only official postal indicia and leaving a personal image unmarked. As illustrated in Fig. 3 of Cordery, the cancellation marks 88, 89, 90 completely mark stamps 85, 87.

Therefore, in view of the above remarks, Applicants' independent claim 37 is patentable over the cited reference. Because claim 38 depends from claim 37 and includes the features recited in the independent claim, Applicants respectfully submit that claim 38 is also patentably distinct over the cited reference. Nevertheless, Applicants are not conceding the correctness of the Office Action's rejection with respect to such dependent claims and reserve the right to make additional arguments if necessary.

In view of the foregoing it is respectfully submitted that the claims in their present form are in condition for allowance and such action is respectfully requested.

Respectfully submitted,



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